

Service Date: July 16, 1986

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER of the Application of) UTILITY DIVISION
PACIFIC POWER AND LIGHT COMPANY for)
Authority to Adopt New Rates and) DOCKET NO. 85.10.41
Charges for Electric Service Fur-)
nished in the State of Montana.) ORDER NO. 5169b

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SUPPLEMENTAL ORDER

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APPEARANCES

FOR THE APPLICANT:

George M. Galloway, Attorney at Law, Stoel, Rives, Boley, Fraser
and Wyse, 900 Southwest Fifth Avenue, Portland, Oregon 97204
C. Eugene Phillips, Attorney at Law, Murphy, Robinson, Heckathorn
and Phillips, One Main Building, Kalispell, Montana 59901

FOR THE MONTANA CONSUMER COUNSEL:

James C. Paine, Montana Consumer Counsel, 34 West Sixth Avenue,
Helena, Montana 59620

FOR THE COMMISSION:

Timothy R. Baker, Staff Attorney, 2701 Prospect Avenue, Helena,
Montana 59620

BEFORE:

HOWARD L. ELLIS, Commissioner, Presiding
CLYDE JARVIS, Chairman
DANNY OBERG, Commissioner

PART A
BACKGROUND

1. The Pacific Power and Light Company (PP&L, Company, or Applicant) is a public utility furnishing electric services to consumers in the State of Montana, and is subject to the regulatory jurisdiction of the Montana Public Service Commission (PSC or Commission).

2. On October 3, 1985, PP&L filed with the Commission its application for authority to increase rates and charges for electric service. On October 28, 1985, the Company filed with the Commission a proposed tariff sheet, Schedule No. 300, applicable to electric service supplied by the Company in the State of Montana. The proposed tariff sheets included a Late Payment Charge of 1 percent, a Tampering/Unauthorized Reconnection charge, an increase in the existing charge for work that is done outside normal business hours, and a set charge for multiple meter tests.

3. Pursuant to a Notice of Commission Action, consideration of these proposed tariff changes was consolidated into this Docket.

4. On April 4, 1986, data requests concerning the proposed tariff charges were served upon the Company by the Commission. On April 14, 1986, the Company provided responses to these data requests.

5. On April 15 and 16, 1986, pursuant to the Notice of Public Hearing, a hearing was held in Whitefish, Montana, and satellite public hearings were held in Libby and Kalispell, Montana, on the evenings of April 16 and 17, 1986, respectively. At the hearing, the data requests and responses described above were incorporated

into the record.

6. On July 10, 1986, the Commission issued Order No. 5169a as a final order in this docket. However, the proposed tariff changes submitted by PP&L on October 25, 1985, as described above, were not addressed in said Order.

PART B

PROPOSED TARIFF CHANGES

7. In the Company's responses to the data requests submitted by the Commission, PP&L explained the reasons for instituting a late payment charge and the probable effects of such a charge:

The institution of a late payment charge is founded in the Company's concern that some customers regularly delay paying their electric bills. The reasons for these delays vary from neglect, misplaced billings and others by choice. By delaying, the customer is able to utilize the Company's money, interest free. Therefore, the Company believes, in fairness to its good paying customers, a late payment charge should be instituted to encourage late paying customers to pay their electric bills within the allotted time frame prescribed by Commission Rules.

* * * *

The Company has no certain indications that this charge will reduce delinquencies. However, in Wyoming, where we have had a late payment charge in effect since March 5, 1984, the lag in receipt of revenue as measured from the Company's cash

working capital analysis has declined slightly from 1983 and 1984 to 1985. Even though it is impossible to measure the actual effect of a late payment charge, it is probable that it will also contribute to a decrease in time for Montana lag days. Even if it does not, it will produce a fairer allocation of costs among customers.

8. In these responses, the Company also explained its proposal to not apply the late payment charge to those customers receiving energy assistance funds:

[T]he Company's concern is over those customers who don't pay their bills out of neglect or choice to enable them to utilize the Company's money interest free. It is these customers who have the money to pay their bill, but choose not to, rather than customers receiving Low Income Energy Assistance payments that the Company feels should be encourage to comply with prescribed Commission payment rules. The Company has no desire to further burden LIEAP recipients.

9. Further PP&L addressed the proposed charge relating to tampering and unauthorized reconnection:

[T]he tampering and unauthorized reconnection charge is intended primarily to compensate the Company for additional labor costs. These costs result most frequently when a customer who has been disconnected because of some default on their part, such as non-payment of bill, and has subsequently reconnected himself without the Company's knowledge or approval. This requires the Company to make an

additional trip to the service location to install special equipment or physically cut or remove the service line.

10. The responses provided by the Company also explained the procedure to be implemented when a consumer has been accused of meter tampering:

Any customer accused by the Company of meter tampering or unauthorized reconnection would be entitled to a number of avenues of appeal. First, as in any customer dispute, the Company would welcome the customer to come to our office and discuss the matter. In the event that the Company and customer were not able to come to an agreement, the customer would have the right to file an informal complaint with the Montana Public Service Commission. If the results of that action still left the customer unsatisfied, the customer would still have the right to file a formal complaint with the M.P.S.C. as provided under ARM 38.2.2101. Of course, it is the Company's hope that these problems can be resolved on a local basis with minimal discord.

11. The proposed tariff changes, as discussed above, were not contested by the Montana Consumer Counsel.

12. The Commission approves of the Company's proposed tariff Schedule No. 300, as set forth in the Company's filing with the Commission dated October 25, 1985. In addition, the proposed revisions to existing tariff sheets, which are necessary to reflect the addition of Schedule No. 300, are also approved.

CONCLUSIONS OF LAW

1. The Applicant, Pacific Power and Light Company, furnishes electric service to consumers in Montana, and is a "public utility" under the regulatory jurisdiction of the Montana Public Service Commission. Section 69-3-101, MCA.

2. The Commission properly exercises jurisdiction over the Applicant's rates and operations. Section 69-3-102, MCA and Title 69, Chapter 3, Part 3, MCA.

3. The Commission has provided adequate public notice of all proceedings and opportunity to be heard to all interested parties in this Docket. Title 2, Chapter 4, MCA.

4. Schedule No. 300, as proposed by PP&L in its filing with the Commission dated October 24, 1985, and all revisions to existing tariff sheets which are necessary to reflect the addition of Schedule No. 300, are just, reasonable, and not unjustly discriminatory.

ORDER

1. The Pacific Power and Light Company shall file rate schedules and tariff sheets that comport with all Commission determinations set forth in this Order.

2. This Supplemental Order, and the determinations made herein, does not in any way affect the rate level and rate structure approved in this Docket. Further, this Order does not in any way relieve PP&L of its obligation to comply with Order No. 5169a.

DONE AND DATED this 14th day of July, 1986, by 3-0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

CLYDE JARVIS, Chairman

HOWARD L ELLIS, Commissioner

DANNY OBERG, Commissioner

ATTEST:

Trenna Scoffield
Commission Secretary
(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.